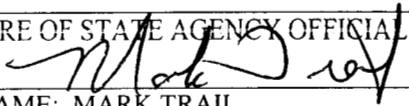
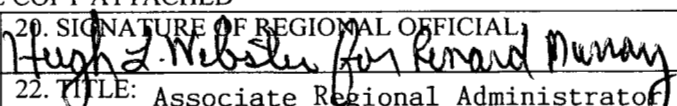


<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER: 0 4 - 0 0 6	2. STATE GEORGIA
<b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE July 1, 2004	
5. TYPE OF PLAN MATERIAL (Check One):			
<input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447.300		7. FEDERAL BUDGET IMPACT:	
		a. FFY 2004 \$ ( 6,099,009)	
		b. FFY 2005 \$ (24,396,036)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Attachment 4.19-B, page 8a.2		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  Attachment 4.19-B, page 8a.2	
10. SUBJECT OF AMENDMENT:  OUTPATIENT HOSPITAL SERVICES			
11. GOVERNOR'S REVIEW (Check One):			
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED:			
<input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED			
<input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO:	
13. TYPED NAME: MARK TRAIL		Department of Community Health Medical Assistance Plans 2 Peachtree Street, N.W. Atlanta, Georgia 30303-3159	
14. TITLE: CHIEF, MEDICAL ASSISTANCE PLANS			
15. DATE SUBMITTED: July 1, 2004			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: July 6, 2004		18. DATE APPROVED: April 12, 2005	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: July 1, 2004		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Renard L. Murray, D.M.		22. TITLE: Associate Regional Administrator Division of Medicaid & Children's Health	
23. REMARKS:			

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POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES  
FOR OTHER TYPES OF CARE OR SERVICES

- 8g. Effective July 1, 2000 or when a hospital has been designated by the Department of Community Health as meeting conditions to be critical access eligible, whichever occurs later, and subject to the availability of funds, payments will be increased by rate adjustments, as described below.
- For non-public hospitals, rate adjustments will be based on the difference between 100% of costs and initial payments for outpatient services provided to Medicaid patients.
- For public hospitals, subject to the upper payment limit for outpatient services, rate adjustments will be based on the difference between the greater of each hospital's charges or costs, and initial payments for outpatient services provided to Medicaid patients.
- 8h. Effective July 1, 2000 or when a hospital has been designated by the Department of Community Health as State owned or operated, whichever occurs later, and subject to the availability of funds, payments will be increased by rate adjustments. Subject to the upper payment limit for outpatient services, rate adjustment payments will be based on the difference between the greater of each hospital's charges or costs, and initial payments for outpatient services provided to Medicaid patients.
- 8i. Effective for services on and after July 1, 2001, payment rates will be increased to 100% of costs for historically minority-owned hospitals.
- 8j. Effective for dates of service on and after July 1, 2004, the payment method is modified as follows:
- For those hospitals that were previously reimbursed at 90% of the cost of services provided, the reimbursement rate is reduced to 85.6% of costs.
  - For out-of-state enrolled hospitals, payments are made at the statewide average percentage of charges paid to Georgia hospitals that are reimbursed at 85.6% of costs. The payment rate for out-of-state enrolled hospitals will not exceed 65% of covered charges.
  - For hospitals that are designated as a Critical Access Hospital, a historically minority-owned hospital, or as a state-owned hospital, the reimbursement rate continues at 100% of costs.